

EXHIBIT 4

1
2 UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

3 -----X
SHORELINE AVIATION, INC.,

4
PLAINTIFF,

5
6 -against-

Case No.:
2:20-cv-02161
JMA-SIL

7
8
9 CYNTHIA L. HERBST, SOUND AIRCRAFT
FLIGHT ENTERPRISES, INC., RYAN A. PILLA,
BLADE URBAN AIR MOBILITY, INC. a/k/a
10 FLY BLADE, INC., MELISSA TOMKIEL and
ROBERT S. WIESENTHAL,

11
DEFENDANTS.

12 -----X
13 DATE: March 14, 2022
14 TIME: 10:00 A.M

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16
17 DEPOSITION of MIKE MIGLIORE,
18 CAPE AIR, taken by the respective parties,
19 pursuant to a Court Order and to the
20 Federal Rules of Civil Procedure, held via
21 Veritext Virtual Services, before Edith
22 Tirado-Plaza, a Notary Public of the State
23 of New York.

1 M. MIGLIORE

2 A. Yes, it was the fall of 2018.
3 The final deal was late -- the LOI was
4 December five, 2018.

5 Q. Did his untimely passing did
6 that affect Shoreline's business?

7 A. I assume it did. It clearly
8 affected our business.

9 Q. How did it affect your
10 business?

11 A. Well, one of the reasons we
12 were buying Shoreline was for John's
13 knowledge of the sea plane business and
14 clearly having an employment agreement we
15 wanted him to literally run that sea plane
16 business, the maintenance program, just to
17 oversee he it completely. He had much more
18 experience than anybody at Cape Air had
19 here.

20 Q. Are you aware of how
21 Shoreline's business performed after the
22 asset purchase?

23 MR. KRIEGSMAN: Objection.

24 A. I'm not sure how to answer that
25 because there really wasn't a Shoreline

1 M. MIGLIORE

2 business going forward. When we -- we were
3 dealing with all the employees. We were
4 dealing with all the customers going
5 forward so in all essence we were running
6 the Shoreline business with help from John
7 as an employee.

8 Q. Relative to the pre-transaction
9 revenue generated by the business, did that
10 go down following the merger?

11 A. Can you clarify?

12 Q. So, before the merger you did
13 various financial projections from the
14 value of Shoreline's business?

15 A. Before the closing of the deal?

16 Q. Correct. Before the closing of
17 the deal you did various financial analysis
18 of how Shoreline was doing; right?

19 A. Correct.

20 Q. You testified that after the
21 deal you were basically or Cape Air was
22 basically running the business; is that
23 right?

24 A. That is correct. If you were
25 to look at the contract it clearly says we

1 M. MIGLIORE

2 were funding the business for two months
3 January and February.

4 Q. How did the business perform
5 after the transaction relative to how it
6 performed before the transaction?

7 A. Are you asking financially?

8 Q. Yes.

9 A. Financially it was about the
10 same. It was, you know, typically losses
11 money in the first quarter and we knew it
12 was going to lose money in the first
13 quarter.

14 Q. After those first two months,
15 were you still running the business, Cape
16 Air, or was Shoreline running itself?

17 A. No, we were running the
18 business.

19 Q. How did it continue to perform
20 after that initial period of time?

21 A. Similar to previous years.

22 Q. Now, you testified earlier
23 about the Boston to New York route and why
24 that was part of the thinking behind the
25 deal. Do you recall that?

1 M. MIGLIORE

2 A. I do.

3 Q. Did that Boston to New York
4 route come to fruition?

5 A. No, it never did.

6 Q. Did that impact the
7 profitability of the sea plane business?

8 A. Yes, it did.

9 Q. Did COVID impact the
10 profitability of the sea plane business?

11 A. No, we shut down the business
12 prior to COVID. It was almost the same
13 exact time that we shut down the business.
14 I think we announced late February, early
15 March, to the employees that we were not
16 going forward with it.

17 Q. Why did Cape Air shut down the
18 business?

19 A. The main reason for buying
20 Shoreline and for doing the business plan
21 was the Boston to New York market. There
22 were many approvals that we needed to get
23 in Boston Harbor and we were not able to
24 get those approvals and to run a viable
25 business.

1 M. MIGLIORE

2 Q. But the business operations in
3 terms of volume or profitability or amount
4 of customers was the same after the
5 transaction as before the transaction?

6 MR. KRIEGSMAN: Objection to
7 form.

8 A. The amount of business that was
9 generated prior to the deal versus after
10 the deal you're asking?

11 Q. Yes.

12 A. Yeah, in 2019 I think we did
13 roughly the same amount of revenue as they
14 did in previous years from just the I'll
15 say Shoreline business.

16 Q. Were the costs roughly the same
17 after the transaction as before the
18 transaction?

19 A. I think they grew but they were
20 roughly about the same.

21 Q. In terms of profitability the
22 business was roughly a profitable after the
23 transaction as before the transaction?

24 MR. KRIEGSMAN: Objection to
25 form?

1 M. MIGLIORE

2 A. From the analysis we did the
3 business wasn't profitable.

4 Q. Did that change from before the
5 transaction to after the transaction?

6 A. No, it did not.

7 Q. What happened to the assets
8 that Cape Air had?

9 A. Over 2019 -- no, over 2020 it
10 was early once we decided we started to
11 sell the assets.

12 Q. Who did you sell the assets to?

13 A. There were probably various but
14 there was one company that bought the
15 inventory and the aircrafts. If you say it
16 I'll remember it. I forgot right now who
17 it was.

18 Q. Was it Fly the Whale?

19 A. Yes, thank you.

20 Q. Did you offer to sell the
21 business back to Miss Collingwood?

22 A. I don't recall. I don't think
23 so.

24 Q. Do you recall what you got on
25 the assets of Shoreline after you sold it